



Ralston Purina
Company

Office of the Division Vice President

March 14, 1983

Mr. Stanley Newman
MCA Publishing Rights
100 Universal City Plaza
Universal City, California 91608

Dear Mr. Newman:

This letter references our March 9 telex and our February 28 meeting concerning our use, as a Nintendo licensee, of the Donkey Kong property in conjunction with a new consumer product.

During our negotiations with Nintendo, we were advised of the lawsuit between Universal and Nintendo in U.S. District Court in New York. We also learned that Universal had sent "cease and desist" letters to other Nintendo licensees. We examined the pleadings and other records in the New York lawsuit and in certain earlier litigation involving "King Kong" in California. We also reviewed public trademark and copyright records in Washington, D.C.

Based on that research, we concluded Nintendo was the exclusive owner of the Donkey Kong property. Further, we concluded Universal did not own exclusive rights to "King Kong," nor did it own any rights in the Donkey Kong property. Indeed, in the California federal suit Universal successfully argued that the "King Kong" character was in the public domain, the name "King Kong" had become part of the ordinary English language and, as a result, no unfair competition would arise from Universal's use of the "King Kong" name and concept in connection with a film it at one time planned, but did not make.

Notwithstanding the conclusions resulting from our independent research, we visited your office on February 28 seeking any information Universal might have which would alter our conclusions. You offered no additional facts of significance. You declined any discussion of matters dealing with the merits of whatever rights you might claim that we should be aware of. Instead, you directed us to the pleadings in the New York suit. As a result, we still view our original conclusions to be correct. You accurately perceived at the meeting that we felt Universal's potential action against us would be a "nuisance suit."

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Checkerboard Square
St. Louis, Missouri 63188

DEFENDANT'S
EXHIBIT